

Appl. No. 09/827,796  
Amdt. Dated August 23, 2004  
Reply to Office Action of August 18, 2004

**Amendments to the Specification:**

Please replace paragraph [0007] with the following amended paragraph:

[0001] This application is related to and claims priority from Provisional Application No. 60/259,529 filed on Jan. 3, 2001, incorporated herein by reference. This application is related to United States Patent Number 6,765,963, filed on June 18, 2001 and issued on July 20, 2004.

Please replace paragraph [0007] with the following amended paragraph:

[0007] For every pixel of an image, color information must be provided. Typically, color information is coded in terms of the primary color components red, green and blue (RGB) or using a related luminance/chrominance model, known as the YUV model.

Please replace paragraph [0008] with the following amended paragraph:

[0008] Typical video codec employs three types of frames: intra frames (I-frames) and predicted frames (P-frames) and Bi-directional-frame (B-frames). Coding of a frame is performed independently from the others. I-frame, exploits only the spatial correlation of the pixels within the frame. Coding of P-frames exploits spatial as well temporal redundancies between the successive frames. Since in a typical video sequence the objects appearing in a sequence don't change rapidly from one frame to the next frame, i.e., the adjacent frames in a sequence are highly correlated, higher compression efficiencies are achieved when using P-frames. The terms frame and picture have been interchanged in the art. A frame contains all the color and brightness information that is needed to display a picture. A picture is divided into a number of blocks, which are grouped into macroblocks. Each block contains a number of lines, with each line holding a number of samples of luminance or chrominance pixel values from a frame.

Please replace paragraph [0022] with the following amended paragraph:

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[0022] A new picture or frame type and method of using the same is provided. This type of novel frame type is referred to as a SP-picture. The temporal redundancies are not exploited in I-frames, compression efficiency of I-frame coding is significantly lower than the predictive coding. The proposed method allows use of motion compensated predictive coding to exploit temporal redundancy in the sequence while still allowing perfect reconstruction of the frame using different reference frames. This new picture type provides for error resilience/recovery, bandwidth scalability, bitstream switching, processing scalability, random access and other functions.